

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2411 – SB 2331

February 10, 2016

SUMMARY OF ORIGINAL BILL: Requires the Department of Revenue to submit a report by February 1, 2017, and by February 1 of subsequent years, to the Chairs of the Transportation Committee of the House of Representatives and the Transportation and Safety Committee of the Senate identifying the collegiate plates that are currently administratively issued and the collegiate plates that, within the previous five years, have been administratively issued by the Department and are no longer administratively issued and have been deemed obsolete and invalid. Authorizes the report to be submitted electronically.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012172): Deletes all language of the original bill. Authorizes a nonprofit religious organization to obtain a special purpose license plate, in lieu of registering the vehicle, for the following purposes: to transport the vehicle between a prior or subsequent owner and the organization; to transport the vehicle between the organization and a location where cleaning, repairing, or preparation is performed; or to test the vehicle within a 20-mile radius of the location where the cleaning, repairing, or preparation is performed. Imposes a fee of \$47.30 for the first plate and \$23.65 for each additional plate. Limits a nonprofit religious organization to a maximum of three plates each year. Establishes the plate design and the effective date of May 1, 2016.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue – \$200/FY15-16
\$1,000/FY16-17 and Subsequent Years**

Increase State Expenditures – \$1,200/FY15-16

Assumptions for the bill as amended:

- It is estimated that there are approximately 12 nonprofit religious organizations that would qualify to obtain the special purpose license plate under this bill as amended.

HB 2411 – SB 2331

- In addition to the base fees of \$47.30 for the first plate and \$23.65 for the second and third plates, there are additional fees for reflectors, issuance, and systems totaling \$2.75 per plate. The total fees are estimated to be \$50.05 (\$47.30 + \$2.75) for the first plate and \$26.40 (\$23.65 + \$2.75) for the second and third plates.
- Due to the effective date of May 1, 2016, it is estimated that two organizations will each purchase all three plates in FY15-16, and ten organizations will purchase three plates each in FY16-17 and subsequent years.
- The resulting increase in state revenue to the General Fund is estimated to be \$205.70 in FY15-16 [(2 plates x \$50.05) + (4 plates x \$26.40)] and \$1,028.50 [(10 plates x \$50.05) + (20 plates x \$26.40)] in FY16-17 and subsequent years.
- The initial inventory required is estimated to be an average of three plates for each county in Tennessee, or 285 plates (3 x 95 counties).
- The cost of production and distribution of such plates is estimated to be \$4.25 per plate, for a total one-time increase in state expenditures from the General Fund of \$1,211.25 (285 plates x \$4.25).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/bos